

Old Age, Disability, Death

First laws: 1898 (old-age pension), 1911 (widow's pension), 1924 (blind pension), and 1936 (disability pension).

Current law: 1990 (National Superannuation, 1994 renamed *New Zealand Superannuation*).

Type of program: Dual universal and social assistance systems.

Exchange rate: U.S.\$1.00 equals NZ\$1.94.

(Amounts reflect benefit rates as of April 1, 1994.)

Coverage

All residents. *Government Superannuation Scheme* closed to new entrants. This scheme was analogous to any voluntary, employer-imposed, contributory superannuation scheme.

Miners' benefit abolished in 1993. The scheme had been superseded and had no recipients when repealed.

Source of Funds

Insured person: None.

Employer: None.

Government: Entire cost financed from general revenues.

General revenues also finance sickness, maternity, and unemployment benefits and family allowances.

Qualifying Conditions

Old-age pension—New Zealand Superannuation.: Currently age 62 but rising progressively to age 65 by the year 2001. 10 years residence after age 20, of which 5 must be since age 50. No income or retirement test (except married pensioner with unqualified spouse), but an extra tax applies to other income above exemption limits. Reciprocity required for full payments abroad beyond temporary absence. Part portability (up to 50%) in other instances.

Disability pension—Invalid benefit: Permanent and severe restriction in capacity for work, or total blindness; residence during last 10 years; income-tested, except if blind. Must be over 16 years of age.

Survivor pension—Widow benefit. Widow of specified category or orphan. (orphan benefit). Residence during last 3-5 years; income-tested.

Old-Age Benefits

Old-age pension—New Zealand Superannuation: NZ\$234.14 gross a week for single person living alone (NZ\$213.62 gross if sharing accommodation). NZ\$348.16 for aged couple. No income test. Married pensioner with unqualified spouse may take half the married rate (no income test) or full married rate (income-tested). Subject to taxation, including additional taxation surcharge for higher income New Zealand Superannuatants. (25% on annual income over NZ\$4,160 for singles and NZ\$6,240 for married couple.)

Annual review of income-tested benefits.

Other assistance available (some needs-tested), such as accommodation supplement, disability allowance, special needs grants.

Permanent Disability Benefits

Disability pension (income-tested): Up to NZ\$168.13 (net) a week for a single person, or NZ\$280.58 for couple. Up to NZ\$136.23 for unmarried beneficiary under age 18. Benefit reduced for income exceeding NZ\$2,600 a year if single (NZ\$3,120 if dependent children) except if blind. Additional payments for dependent children.

Youth Rate: Age 16-17 years, NZ\$136.23.

Annual review of benefits.

Other assistance available (some needs-tested) such as accommodation supplement, advances for maintenance and repairs to the home, training incentive allowance, transition to work allowance, disability allowance, special needs grants.

Survivor Benefits

Survivor pension (income-tested): Up to NZ\$140.29 (net) payable to widow. Benefit reduced for income exceeding NZ\$2,600 a year (NZ\$3,120 if dependent children). Subject to taxation. Orphans (not income-tested): Up to NZ\$84.17 a week for each full orphan under 18 (not taxable).

Annual review of benefits.

Survivor settlement: 4-weeks' lump-sum payment to spouse or child of deceased old-age or disability pensioner. Lump-sum grant (income-tested): Up to NZ\$1,000 for funeral costs. Other assistance available (some needs tested): Same as for permanent disability pension.

Administrative Organization

New Zealand Income Support Service (NZISS) of the Department of Social Welfare, administration of pensions through district offices. Department administered by the Director-General of Social Welfare.

Sickness and Maternity

First law: 1938.

Current law: 1964.

Type of program: Dual universal and social assistance systems.

Amounts reflect benefit rates as of April 1, 1994.

Coverage

Cash sickness benefits: Gainfully employed persons of limited income. **Maternity benefits:** Single women.

Medical benefits: All residents.

Source of Funds

Insured person: None.

Employer: None.

Government: Entire cost financed from general revenues.

Qualifying Conditions

Cash sickness and maternity benefits: Age 16 or older; 12 months of residence; income-tested. Married person eligible only if spouse cannot provide support.

Medical benefits: Ordinary residence or intent to remain 2 years; no income test.

Sickness and Maternity Benefits

Sickness benefit (income-tested): Up to NZ\$160.29 (net) a week for single adult, or NZ\$255.10 if married. Up to NZ\$112.23 for beneficiaries under age 18 with no dependents. Up to NZ\$134.69 for beneficiaries under age 25. Benefit reduced for income exceeding NZ\$50 a week (NZ\$60 with dependent children).

Maximum benefit: As above, or wage loss, whichever is less.

Payable after 14-day waiting period for duration of incapacity.

Maternity benefit (income-tested): Payable to single pregnant women at sickness benefit rate, 3 months before and after confinement unless extended for medical reasons.

Workers' Medical Benefits

Medical benefits: Health user subsidies. Free services include care in-patient in public hospitals, maternity and most laboratory services. Private hospital care costs are not subsidized. Prescribed medicines are subsidized at various levels, depending on income. Families with low incomes have access to a *Community Services Card* (CSC) which lowers their prescription charges from a maximum of NZ\$15 per item to NZ\$3 per item. Once a family has used 20 items per year, the charge falls to NZ\$0 for CSC holders and NZ\$2 per item for non-card holders.

Health subsidies are extended to low income and high users of medical care.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for family head with special subsidies for low income families or those with need for intensive medical care.

Administrative Organization

New Zealand Income Support Service (NZISS) of the Department of Social Welfare, administration of cash benefits through branch and district offices.

Regional Health Authorities (via Health Benefits Ltd.), administration of medical benefits.

Work Injury

First law: 1908.

Current law: 1982.

Type of program: Dual universal and social insurance systems. Part of a comprehensive accident insurance program which partially compensates both work injuries and nonwork-related injuries.

Coverage

Cash benefits: All persons employed in New Zealand.

Also extended to any person who is ordinarily resident in New Zealand who is injured abroad.

Medical benefits: All residents.

Source of Funds

Insured person: Tax assessed on motor vehicle owners to finance cost of traffic accident coverage. Tax of 0.8% of earnings to cover non-work injuries to earners.

Employer: Obligations according to risk.

For 1992/93 the average levy paid by employers was 1.85% of gross earnings.

Government: Public health care costs of motor vehicle injuries, work injuries, and injuries to non-earners.

Maximum earnings for contribution purposes: NZ\$76,648 a year.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Nonwork-related injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 80% of gross earnings (subject to taxation) until recovery or assessment of permanent work incapacity of at least 85%.

Nonwork-related injuries: same.

Maximum benefit: NZ\$1,179 a week. Minimum benefit (full-time earners with total disability): NZ\$196 a week.

Permanent Disability Benefits

Permanent disability pension: Up to 80% of earnings, according to degree of incapacity, payable until age 65. Maximum benefit, NZ\$1,179 a week.

Benefits also payable for injuries not related to work.

Social rehabilitation supplement: Assessed according to need.

Loss of potential earning capacity: NZ\$196 a week payable to persons over age 20 and NZ\$156.80 for persons under 20 who would have entered the workforce at age 16 if their incapacity had not arisen during childhood.

Workers' Medical Benefits

Medical benefits: All medical care and rehabilitation costs not covered under national health system, according to current government regulations.

Full cost of approved appliances.

Benefits also payable for injuries not related to work.

Survivor Benefits

Survivor pension: 60% of insured's earnings, payable to dependent widow and widower.

Orphans: 20% of insured's earnings for each child under age 18 (40% for each full orphan).

Survivor's grants NZ\$4,000 to surviving spouse: NZ\$2,000 to each child under 18; NZ\$2,000 to any other dependent.

Funeral grant: NZ\$1,900.

Above benefits also payable for injuries not related to work.

Administrative Organization

Accident, Rehabilitation and Compensation Insurance Corporation, direct supervision and enforcement of law.

Unemployment

First law: 1930.

Current law: 1964.

Type of program: Unemployment assistance system.

Coverage

Gainfully employed persons of limited income.

Exclusions: Pensioners and full-time students.

Training benefits paid to those in approved courses.

Independent Youth or *Job Search* allowances paid to 16-17 year olds who are forced to live away from home or have finished an approved training course.

Source of Funds

Insured person: None.

Employer: None.

Government: Entire cost financed from general revenues.

Qualifying Conditions

Unemployment benefit: 12 months of residence; 18 years or older; income tested.

Training benefit: As above but 16 years or older.

Registered at labor office, able and willing to work, and seeking work.

Unemployment not due to voluntary leaving, misconduct, involvement in industrial dispute, or refusal of suitable offer.

Benefit may be withheld up to 26 weeks.

Unemployment Benefits

Unemployment benefit (income-tested): Up to NZ\$134.69 a week for single adult, or NZ\$224.46 if married. Benefit reduced for income exceeding NZ\$50 a week (NZ\$60 with dependent child).

"Youth support" for 18-24 year olds. Maximum, NZ\$112.23 for beneficiaries with no dependents.

Maximum benefit: As above, or wage lost, whichever is less.

Payable after 2-10 week waiting period, determined by previous earnings. Annual review of benefits.

Administrative Organization

New Zealand Income Support Service (NZISS) of the Department of Social Welfare, administration of benefits through branch and district offices.

Government: Entire cost financed from general revenues.

Qualifying Conditions

Family allowances: For domestic purpose benefit: Payable to unsupported single parent aged 18 and over. Resident during last 10 years. No residence requirement if child born in New Zealand. Handicapped child's allowance: Child born in New Zealand, or residence during last 12 months, or intent to reside there permanently. Payable to parent or guardian of seriously disabled child living at home.

Family support: Payable to families with low or moderate incomes.

Family Allowance Benefits

Family allowances: Domestic purpose benefit and emergency maintenance allowance (income-tested): NZ\$192.91 a week payable to single parent with 1 child.

Handicapped child's allowance (no income test): NZ\$28 a week.

Family support (income-tested): Up to NZ\$42 a week for first child or subsequent child over 16; NZ\$35 for each additional child over 12, and NZ\$24 for each additional child 0 to 12 years old.

Administrative Organization

New Zealand Income Support Service (NZISS) of the Department of Social Welfare, administration of allowances through branch and district offices.

Department of Inland Revenue, administration of family support program.

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Family Allowances

First law: 1926.

Current laws: 1964 (family benefit, discontinued from 1 April 1991), 1973 (domestic purpose benefit), 1978 (disabled child's allowance), and 1985 (family support).

Type of program: Dual universal and social assistance systems.

Coverage

Domestic purpose benefit: Single parent caring for child full time.

Disabled child's allowance: Persons caring for physically or mentally disabled children at home.

Family support: All beneficiaries and low income earners with dependent children.

Source of Funds

Insured person: None.

Employer: None.